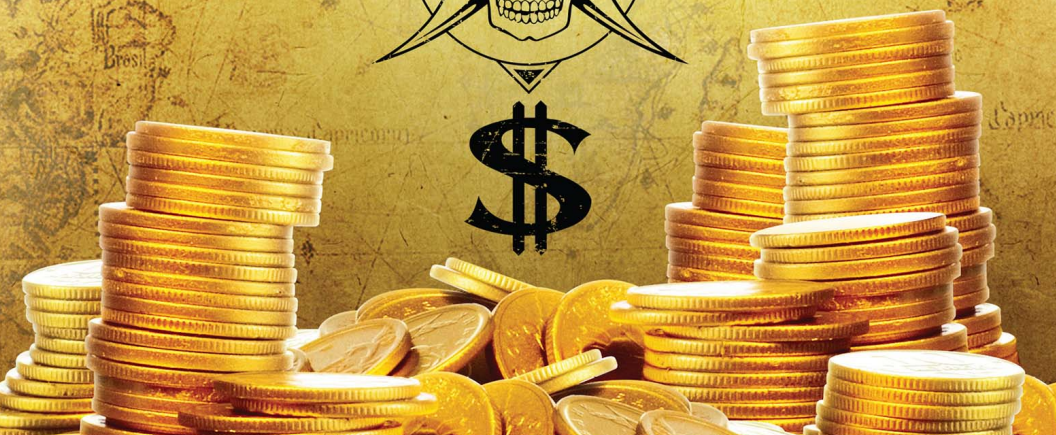


JOEY FEHRMAN

A Novel

PIRATES
OF FINANCIAL
FREEDOM



CHAPTER PREVIEWS

There is finally a way to master your finances while being entertained!

Pirates of Financial Freedom is a personal finance adventure novel for young adults and adults. Readers are entertained with plot twists, sword fights, interesting characters, treasure hunts, humor, and even a romance story while learning over 70 personal finance skills and concepts.

Topics include paying down debt quickly, budgeting tricks, investing in the stock market, spending guidelines, powerful money mindsets, retirement savings, securing a higher credit score, buying your first home, and much more. It all leads up to the exciting conclusion which delivers the most important lesson of all.

How is this different from other personal finance books? First, it is an adventure novel that also teaches finance, so it has entertainment at its core. Second, research shows that people learn best through stories, so these lessons are more memorable and easier to understand. Lastly, it focuses on taking action rather than just passive learning; the last chapter is dedicated to goal setting. Learn all the exciting details at POFFbook.com/details.

The following two chapters are excerpts from the book and will give you a taste of the material. Now get ready to experience a financial literacy adventure unlike any other!

PIRATES OF FINANCIAL FREEDOM

A Novel

JOEY FEHRMAN, CFA

LUDUS  MEDIA

CHAPTER SEVEN

Step one, change your mindset,” said Joey. “These people had been going along, accepting their fate of being poor for the rest of their lives. But then one day they snapped. They felt tired of being financially stressed. They were fed up with having no money in the bank. They became angry at their credit card debt. They stood up and said, ‘I’m not going to take it anymore.’ They decided to change, and they never looked back.”

“How did they do it?” Misty asked, her eyes open wide with excitement.

“They did step two, which is cut expenses. They listed every expense they had. Then they cut the fat, sometimes dramatically if that’s what it took. They basically made a budget.”

“I can cut some expenses,” she said, her confidence rising. “What did they do next?”

“They started saving every dollar they could. They paid themselves first. When they cut their expenses, they saved the difference.”

Her body posture improved. “I have been meaning to save more. I even have a savings account I could use.”

“That’s great,” Joey said. “Then you can do step four, which is increase your income.”

She rolled her eyes and looked discouraged again. “I knew there was a catch. Sure, it’s easy to say I should make more money. But I don’t have any idea how.”

“Oh really? How many days have you spent researching new

ways to make money:”

She stared back at him in surprise. “Um, zero,” she muttered.

“Well, that’s your first problem. There are lots of ways to increase your income. Do an Internet search on ways to do it. Go to the library to read books on the topic. Learn new skills to get a better job. Become an entrepreneur, which can be as simple as starting a dog walking company.”

“That’s a good point,” she said. “I’ve always wanted to make more money, but I’ve never looked into how to do it. I should do that.”

“Yes, absolutely. But it won’t be easy. That’s where the fifth step comes in.”

“What’s that?”

“Never give up. Becoming financially free can be hard. It takes sacrifice; you will fail at times. But you never truly fail until you give up on yourself. Ask any super-successful person if they made mistakes and failed along the way, and every one of them will say yes. The difference is they didn’t give up. Just know that many other people have risen above living paycheck to paycheck, and you can too.”

She nodded but had a skeptical look on her face. “I’m sure you’re right, but those people had better jobs. I just make minimum wage.”

“Apparently you haven’t heard of Jen Smith. She is known as the Millionaire Mommy Next Door. She went from earning minimum wage as a donut and coffee waitress working the graveyard shift to becoming a self-made millionaire by age forty. There are countless inspirational rags to riches stories. Go find them and copy their examples.”

“Wow. I had no idea. Thank you so much!”

“My pleasure.”

“That was fascinating,” said Hope. “You have me thinking even I can improve my finances.”

“You can,” said Joey.

They all stood up and walked out to the front of the store.

“Yeah, but I don’t know,” said Hope.

“Why not?” asked Joey.

“I like your advice. But...”

“But what?”

“What will my friends think? If I spend less money and stop going out with them as much, won’t they think less of me?”

Joey nodded. “My friend had the same thought. She lived in San Francisco and figured spending hundreds of dollars a month on social activities was just the normal thing to do. But she wanted to get out of the financial rat race. She was nervous about what her friends would say, so she delayed making any changes. She imagined she would have to sit at home alone every weekend while her friends partied. A few weeks went by. One night her friend asked her to go out for a fancy dinner as usual. She decided this was her time. Feeling nervous, she courageously told her friend that she couldn’t go to dinner because she was trying to save money. Then she held her breath.”

“What happened?” Hope asked excitedly.

“To her surprise, her friend said ‘Me too!’ It turns out many of her friends wanted to save money. She did some research into all the free activities they could do together in the city, and it turned out there were a lot. Now she and her friends go out every weekend and have a lot of fun, but spend very little money.”

“Really? I never would have guessed. Maybe my friends want to do free things too.”

“Maybe. You never know. Your friends can be powerful allies on your road to success. Telling your friends that you have the goal of becoming financially free can be one of the best things you can do.”

“Why?” she asked, a skeptical look on her face.

“If you tell all your friends about a goal you have, you know they’re going to ask you how it’s going. You don’t want to tell them that you gave up on it, so that kind of peer pressure can be a powerful motivator. Another point is that your friends want to see you succeed, so they might offer you help or advice that you wouldn’t have received otherwise. Or a few of your friends might have the same goals, so you could form an accountability group. Having accountability partners has been shown to increase the chance of success.”

“Those are good points. I can see where telling all your friends is a good idea. I may even inspire a few of them to improve their own finances.”

A man emerged from the back room. “Well, if it isn’t my best customer. How ya doing, Owen? And Rusty’s here too. Must be me lucky day.” He was middle-aged with an Australian accent. He dressed sharply but casually, and had a big smile on his face.

“Oliver!” shouted Rusty happily.

“You mates causing trouble out here?” asked Oliver.

“Doing our best to,” said Owen, smiling.

Oliver looked at Joey. “And who might this dashing young fellow be?”

Rusty introduced them. “Giuseppe, this be Oliver Fosters. Giuseppe, this be Oliver.”

Joey extended his hand. “You can call me Joey. Nice to meet you.”

“Likewise,” smiled Oliver.

“Oliver be the owner of the shop here,” said Rusty.

“Oh really?” asked Joey.

“Yes, mate,” said Oliver.

“He be owning a couple dozen other hat stores around the world,” Rusty said.

“A multi-national corporation, huh? Impressive,” said Joey. “How’s business?”

“Business is great. The hats are really popular; I can’t keep up with demand. Look at my shelves, they’re half empty.”

“Sounds like you need to fire your hat supplier and get a new one,” Joey commented.

Oliver chuckled. “Then I would have to fire myself. My employees and I make them all ourselves.”

“Really?” Joey, Owen, and Rusty all asked at the same time.

“Yeah, I have an old factory where I make them down the road.”

“Can we be seeing it?” asked Owen.

“Sure. You want to see it now?”

“Aye!” Owen and Rusty followed Oliver out of the shop.

Joey paused. He felt like they should go back to the ship, but

he liked learning about new businesses. He decided to follow the others. Misty and Hope waved goodbye and thanked him for his help.



As they were walking, Joey asked Rusty, “I forgot to look when you checked out. How did you pay for your items today?”

“Me credit card, of course,” said Rusty.

“You shouldn’t be spending money you don’t have. It’s really hard to break that habit.”

“It only be fifty-seven doubloons.”

“Charging fifty-seven doubloons isn’t a big deal at first, but then one day you wake up thousands of doubloons in debt. And you have to pay over seventeen percent interest on it.”

Rusty thought about his comment. “You know, I already be surprised by how much I’ve charged in a short amount of time. But I don’t know what to do. I tried to stop but can’t.”

“Yes, and it will only get harder. Here is what I want you to do.” Joey motioned for Owen to come over. “The first step to breaking the habit is to stop carrying around your credit cards. I want you to only pay with cash. So take out your credit cards and give them to Owen.”

“Huh?” asked Rusty.

Oliver overheard their discussion. “That be good advice. Stop carrying those cards around so you aren’t tempted to use them for an impulse buy. Give them to someone you trust.”

“I’m guessing you trust your crewmate Owen, right?” Joey asked to Rusty.

Rusty frowned at Owen. “I guess so.”

“Don’t worry, he won’t spend on them. He’s just preventing you from charging on them for a while.”

Rusty pursed his lips and stomped his foot on the ground. “Do I have to?”

“Yes. The first step is to stop spending more than you make.”

Rusty grabbed his credit cards and reluctantly gave them to

Owen. Afterward, he felt like a piece of himself had died.

“Good job. Now Owen, do not give them back to Rusty unless he really, really needs them. If he does need one back, he has to tell you why he needs it, and you get to flog him.”

Rusty went from feeling sad to fearful. “Flog me?”

Owen smiled. “I be liking this.” He thought about it further. “But if we really want to discourage him, we should keelhaul him.”

Rusty’s eyes opened wide in fear. “No, not that!”

“What’s keelhaul?” asked Joey.

“It be a horrible form of punishment. Captain Goodman uses it to instill fear in enemies, and even the crew,” said Owen.

“That sounds pretty harsh. I thought the punishment was rough at my job, but keelhauling sounds a lot worse. I think a light flogging sounds just fine.”

Rusty breathed a sigh of relief.

“What kind of job you be doing?” asked Owen.

“I come up with investment ideas, so I do research on stocks and bonds and other asset classes.”

“Stocks and bonds?” asked Rusty. “I be hearing of those before. They sound exciting, but I don’t know anything about them.”

“Yeah, most people don’t. A lot of people think stocks and bonds are these magical things that go up and down for no reason. But there are real companies behind them.”

“Where do stocks and bonds come from?” Rusty asked it in a way that reminded Joey of a child asking his parents where babies come from.

“Well, when an investor and a company love each other very much...” Joey chuckled to himself.

Rusty and Owen looked at him with blank faces.

“Never mind,” said Joey, disappointed they didn’t find his joke funny.

“I don’t be caring about where they come from,” complained Owen. “How can I make money with them?”

“Well, Rusty had a good question. There are lots of ways to make money in the market. But it’s a little premature to talk about that if

you don't even know what stocks and bonds are or why they exist in the first place."

Oliver stopped walking. "Here's the factory."

In front of them they saw a very large, old building that looked like a warehouse. They entered, and Joey was shocked by what he saw.

CHAPTER EIGHT

The captain's quarters were on the lower level of the ship. It was a spacious room and the circular windows gave a nice view of the ocean. Oriental rugs covered the wooden floor. Books of all types filled the large mahogany bookcase. Maps from around the world hung on the wall. In the corner of the room was a majestic bed sitting next to a dresser. The room was well-kept except for the disorganized desk where the captain was sitting, which had books and articles scattered across it.

Captain Dailey sat hunched over a book. Rusty's comment had triggered an idea, and he was furiously flipping through the pages to confirm it. He came to a passage and read it for probably the hundredth time. This time, however, it made more sense. After so many years, he felt like he was finally making progress.

He returned Duarte's biography to the bookshelf and smiled.



Joey looked around the large room where over one hundred people were working. The dingy facility clearly hadn't been renovated in years, if not decades. The conveyor belt filled with hats looked rusty as it cranked along slowly. The wooden storage units seemed to be rotting. Paint was peeling from the walls, the floor looked like it had been there for a century, and some of the machines were held together with duct tape.

"This is it," said Oliver. "Not much to look at."

Joey stood there, appalled. “Those machines are making your products? I’m shocked they haven’t fallen apart by now. Were they even designed to make hats?”

“Ha, not at all. This was the only factory I could afford at the time, so I retrofitted all the machinery for my purposes.”

Joey shook his head. “A company of your size should have much better facilities. Why don’t you build a new factory?”

“A new factory? Do you know how much that would cost? I don’t have that kind of money.”

“If you have a profitable and growing business, there many ways to finance a new factory. Do you know one of the main ways?”

Owen answered, “Pillage someone else’s factory.”

“Um, clever idea, but that’s not legal.” Joey turned back to Oliver. “You could access the capital markets.”

“Huh?” replied Oliver.

“In other words, you could issue debt or equity to raise capital.”

“Huh?”

“You know, stocks and bonds?”

“That sounds pretty complicated. How would that work?”

Joey smiled. “Rusty, you know how you wanted to know where stocks and bonds came from? Here’s your chance to learn.”

Rusty’s ears perked up.

“I don’t know,” said Oliver. “That sounds pretty fancy for a simple hat maker like myself. Why don’t I just go to the bank to get a loan?”

“You could do that, but you are a large business, so going to a bank would be expensive, slow, and restrictive. A better option is to issue bonds.”

“What are those?”

“A bond is like an IOU. An investor lends your company \$10,000 and in return gets a bond, which is basically a contract on a piece of paper. Since he is a bondholder, the company pays him 5% interest per year, so one bond pays \$500 per year. After ten years, your company pays the investor back his original \$10,000. When the investor gets his money back, that is referred to as the bond maturing.”

“But \$10,000 isn’t enough for a factory,” objected Oliver.

“Your company would do this with many investors. You could raise millions of dollars for the new factory if you issue enough bonds.”

“I be wanting to buy those bonds,” said Owen. “That be sounding like an easy way to make 5% a year.”

“That’s true,” said Joey, “but there is still risk. His company could go bankrupt before it pays back your bond. If it does, then you’d get back less than your original \$10,000 investment.”

“I don’t want to be taking risk. What be a risk-free investment?” asked Rusty.

“There’s no such thing as a completely risk-free investment. But generally speaking, the bonds of the US government are considered to be risk free. These are called Treasury bonds.”

“If Treasuries be risk-free, why would anybody invest in other kinds of bonds?” asked Oliver.

“Good question. That’s because US Treasury bonds pay less interest than other bonds. For example a US Treasury bond might pay 3% interest per year, whereas a high-risk bond could pay 6% interest per year.”

Oliver nodded.

“So bonds are one way your company could raise money for the new factory,” said Joey. “Another option is to issue stock.”

“Stock?” asked Owen. “Like the stock of alcohol I be storin’ below the ship’s deck?”

Rusty got excited and started to drool. “You be having a stock of alcohol below deck?”

Owen regretted saying anything. He mumbled to himself, “Argh, I should have kept me blowhole shut.” He then looked directly in Rusty’s eyes and said, “If ye touch it, you’ll be meat for the sharks.”

Rusty lowered his head like a scolded puppy. He was sure to never go looking for the secret stash of rum.

Joey ignored their conversation. “An advantage of issuing stock is that you never need to pay that money back.”

“I’m liking this stock idea,” said Oliver, smiling.

They heard a screeching sound coming from a machine, and then smoke began to rise. One of the employees ran over with a bucket of water, splashing it on the machine. He grabbed some tools from his belt and began tinkering. He then waved the all clear, signaling everything was fine.

Joey shook his head, then continued speaking to Oliver. “Yes, but raising money by issuing stock has drawbacks. Stockholders are part owners of the company, so you have to give them part of the profit forever.”

“Forever?” asked Oliver.

“Yes. So if you grow this into a huge company, your stock investors will become rich right alongside you. That’s assuming your company doesn’t go bankrupt, of course.”

“Let’s hope that doesn’t happen!”

“Agreed. Stocks are riskier than bonds, so the potential rewards are greater with stocks. With a bond, the most an investor can earn is the interest paid. But with a stock, the investor has unlimited upside potential.”

“What if the investor wants to sell his stock?”

“He can sell it to someone else using a stock market. On the stock market, you can buy and sell shares of companies throughout the world.”

“How much treasure could he sell the stock for?” asked Rusty.

“The prices of stocks move everyday based on whether people think the company will be more or less profitable in the future. For example, if your company issues a press release saying demand for your hats is up, your stock price will probably increase. But if you issue a statement saying that your competitor is taking away your customers due to lower prices, your stock price would probably go down. There are people who spend most of their life trying to predict which stocks are going to go up and down.”

“That be sounding boring. I’d rather stick a hook in me eye,” said Owen.

“It’s actually very exciting for the people who are good at it. If you’re exceptionally talented, you can become a billionaire.”

Owen was focused on becoming a millionaire; he couldn’t even

comprehend how much money a billionaire must have.

Joey continued, “Peter Lynch was a great investor who had a return of 2,500% while managing his fund. That was five times more than the return of the market. But even great stock pickers have fears and concerns. What do you think? What was Peter’s greatest fear?”

“Captain Hook!” exclaimed Rusty.

“No, wrong Peter. We are talking about Peter Lynch. What was Lynch’s worst enemy?”

“A rope,” said Owen, smirking.

“I didn’t say ‘lynching.’” Joey exhaled in frustration. “Never mind, I will just tell you. A stock investor’s greatest fear is that the stocks of the companies he owns will go bankrupt. If a company goes bankrupt, it usually means its stock goes to zero. And that violates Warren Buffett’s rules.”

“Who is Warren Buffett?” asked Oliver.

A crashing sound came from the corner of the room. A rickety wooden storage shelf had broken in two, causing the heavy supplies to crash to the floor. Two employees ran over with brooms and mops to clean up the mess.

“Warren Buffett is one of my heroes. Known as the ‘Oracle of Omaha,’ he’s one of the richest men on the planet and one of the greatest investors ever. When it comes to investing, he has two rules. Rule number one: don’t lose money. Rule number two: don’t forget rule number one.”

“Those be some simple rules,” said Owen.

“Sometimes simplicity is the best policy.”

“I have a question,” said Rusty. “You said if I own stock, then I be an owner of the company. Since I be an owner, can I make whatever rules me want? Can I make the company buy me a ship? And force everyone to dress like a pirate?”

Joey imagined an office full of accountants, finance nerds, and corporate executives, all dressed in pirate attire and eye patches. “It’s true you are a partial owner of the company, but a very small partial owner. There could be millions of other partial owners, so unfortunately you can’t tell the company to do whatever you want.”

“I can’t do anything, even though I be an owner?”

“I didn’t say that. You still have power as a shareholder, even if you only have a few shares.”

“Like what?” asked Oliver.

“You can vote on important shareholder issues, such as who should be on the board of directors, or if they should buy a different company. You can submit a resolution where you suggest the company change something, and all the other shareholders vote on your idea.”

“Really?” Oliver thought of a few things he would like changed at popular companies.

“Yes. You can go to the annual shareholder meeting and ask management questions in person. You get access to the company’s financial information. They send you annual reports, which give updates on the business and tell you the direction they are taking the company. You receive any cash dividends the company pays out.”

“That be quite a lot.”

Joey nodded. “Shareholders have many rights, but most people don’t realize it.”

A loud bang startled them. Suddenly the conveyor belt stopped moving.

Oliver grunted. “I need to go fix this.” He turned to Joey. “I think you be right. Probably time to upgrade this factory.”

“Yeah, I agree.” Joey looked at his watch. “We should probably get going. Thanks for the tour. You make a high-quality product.”

“Thanks, mate.”

They said good-bye and left the factory.

UPCOMING CHAPTERS

Hopefully you enjoyed this preview of the first personal finance adventure novel for young adults and adults. Feel free to share this excerpt with others who could benefit from it.

Many lessons await the characters in the rest of the book, all building up to the exciting conclusion. Over seventy topics are covered. These include:

- Become debt-free faster without needing extra income
- Set up your accounts to become wealthy automatically
- Step-by-step instructions to improve your credit score
- The optimal investments for your 401(k)
- Harness your finances to blow money on things you want
- Save money on your mortgage and pay it off in less time
- And the ultimate lesson of all

In addition, there is a free bonus chapter that reveals a goal-setting system which can bring you the thriving life of financial success you deserve.

You have started to take control of your financial life by reading this excerpt, now keep up the momentum! Don't let another day go by without taking the necessary steps required to achieve financial freedom. Pirates of Financial Freedom will give you the foundation you need to achieve unbelievable future success, so get a copy of the whole book for you and your loved ones today at www.POFFbook.com/details.



ABOUT THE AUTHOR

Joey Fehrman, CFA, is an Ivy League graduate with over seven years experience in finance. He has managed millions of dollars for wealthy families and institutions for two large wealth management teams at top-tier investment banks. While there, he managed portfolios, provided financial advice, and developed profitable investment strategies. He studied for years to become a Chartered Financial Analyst charterholder, the gold-standard designation in the finance industry.

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Learn more at POFFbook.com/details

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READER'S NOTES

*An entertaining way to master
life-changing personal finance skills,
great for those in their teens
and twenties*

With his back against the wall, Captain Dailey is forced to make a deal that's against every pirate bone in his body. In return, his son must save the crew from their financial problems before it is too late.

In between gun fights, kidnappings, a blossoming romance, humorous pirateisms, mythical beasts, and a long-lost treasure so extraordinary that it threatens to tear the crew apart, they must master:

- Paying down debt quickly
 - Budgeting effectively
 - Effortlessly saving for retirement
 - Prudent spending habits
 - Securing a higher credit score
 - Buying a first home
 - Investing in the stock market
 - Achieving powerful money mindsets
- And much, much more

*Apply these powerful lessons in your life
right now and take control of your
financial destiny!*



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